

Rural Utilities Service, USDA

§ 1738.2

SOURCE: 68 FR 4687, Jan. 30, 2003, unless otherwise noted

Subpart A—General

§ 1738.1 General statement.

(a) This part sets forth the general policies, types of loans and loan guarantees, and program requirements under the Rural Broadband Access Loan and Loan Guarantee Program to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible rural communities.

(b) Additional information regarding the Rural Broadband Access Loan and Loan Guarantee Program can be found in RUS Bulletin 1738-1, “Rural Broadband Access Loan and Loan Guarantee Application Guide” and RUS Bulletin 1738-2, “Rural Broadband Access Loan and Loan Guarantee Advance and Construction Procedures Guide”.

(c) When reference is made in this part to existing RUS regulations, an applicant or borrower under this part will follow the requirements applicable to an RUS telecommunications borrower.

§ 1738.2 Definitions.

As used in this part:

Acquisition means the purchase of operating broadband facilities or another broadband system whether by acquiring broadband facilities or equipment, or majority stock interest of one or more organizations.

Administrator means the Administrator of the Rural Utilities Service, or his or her designee.

Affiliate means an organization that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the applicant.

Applicant means an eligible entity requesting approval of a loan or loan guarantee under this part.

Borrower means any organization that has an outstanding loan made or guaranteed by RUS.

Broadband pilot program means that program implemented through Notices of Funds Availability, published in the

FEDERAL REGISTER at 65 FR 75920 and at 67 FR 3140.

Broadband service means any technology identified by the Administrator as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video. To qualify as broadband, the project must offer data transmission services, and may provide voice, graphics, video, and other services. At the beginning of each fiscal year, RUS will publish a notice in the FEDERAL REGISTER defining the minimum rate-of-data transmission criteria to qualify as broadband service during that fiscal year's funding period.

Composite economic life means the weighted (by dollar amount of each class of facility in the loan) average economic life of all classes of facilities in the loan.

Economic life means the estimated useful service life of an asset as determined by RUS.

Eligible rural community means any incorporated or unincorporated place in the United States, its territories and insular possessions (including any area within the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) that:

(1) Has no more than 20,000 inhabitants based on the most recent available population statistics of the Bureau of the Census and

(2) Is not located in an area designated as a standard metropolitan statistical area. For purposes of this part, “place” may include any area located outside the boundaries of any incorporated or unincorporated city, village or borough having a population exceeding 20,000 that is not within an area designated as a standard metropolitan statistical area.

Feasibility study means the pro forma financial analysis prepared by the applicant, and acceptable to RUS, to determine the economic feasibility of a loan.

Fiscal year means the fiscal year of the federal government.

Forecast period means the time period beginning on the date (base date) of the applicant's balance sheet used in preparing the feasibility study and ending on a date equal to the base date plus